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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-560-828)

Certain Uncoated Paper from Indonesia: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Department) preliminarily determines that certain uncoated paper from Indonesia is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is January 1, 2014, through December 31, 2014. The estimated weighted-average dumping margins of sales at LTFV are shown in the “Preliminary Determination” section of this notice. Interested parties are invited to comment on this preliminary determination.

DATES: Effective date: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Blaine Wiltse or Shannon Morrison, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6345 or (202) 482-6274, respectively.

SUPPLEMENTARY INFORMATION:

## Background

The Department initiated this investigation on February 10, 2015.<sup>1</sup> For a complete description of the events that followed the initiation of this investigation, see the memorandum that is dated concurrently with this determination and hereby adopted by this notice.<sup>2</sup> The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

## Scope of the Investigation

The product covered by this investigation is uncoated paper from Indonesia. For a full description of the scope of this investigation, see the "Scope of the Investigation," in Appendix I of this notice.

## Scope Comments

Certain interested parties commented on the scope of the investigation as it appeared in the Initiation Notice. For discussion of those comments, see the Preliminary Decision Memorandum.<sup>3</sup>

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<sup>1</sup> See Certain Uncoated Paper From Australia, Brazil, the People's Republic of China, Indonesia, and Portugal: Initiation of Less-Than-Fair-Value Investigations, 80 FR 8608 (February 18, 2015) (Initiation Notice).

<sup>2</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, entitled "Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Certain Uncoated Paper from Indonesia" (Preliminary Decision Memorandum), dated concurrently with this notice.

<sup>3</sup> See also Memorandum from Erin Begnal, Director, Office III, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, entitled "Scope Comments Decision Memorandum for the Preliminary Determinations," dated August 3, 2015.

### Postponement of Deadline for Preliminary Determinations

On May 15, 2015, the petitioners<sup>4</sup> made a timely request for a 50-day postponement of the preliminary determination in this investigation pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(e).<sup>5</sup> On June 1, 2015, we postponed the preliminary determination by 50 days, to August 19, 2015.<sup>6</sup> .

### Methodology

The Department is conducting this investigation in accordance with section 731 of the Act. There is one mandatory respondent participating in this investigation, April Fine Paper Macao Limited/PT Anugerah Kertas Utama/PT Riau Andalan Kertas (collectively, APRIL). Export price for this company is calculated in accordance with section 772 of the Act. Normal value (NV) is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our preliminary conclusions, see the Preliminary Decision Memorandum.

### Adverse Facts Available

Because mandatory respondents Great Champ Trading Limited (Great Champ), Indah Kiat Pulp & Paper TBK (IK), and Pabrik Kertas Tjiwi Kimia (TK) failed to respond to the Department's questionnaire, we preliminarily determine to apply adverse facts available (AFA) to these respondents, in accordance with sections 776(a) and (b) of the Act and 19 CFR 351.308. Moreover, the Department is collapsing IK and TK, along with an additional affiliated paper producer PT. Pindo Deli Pulp and Paper Mills because we find that these companies meet the

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<sup>4</sup> The petitioners in this proceeding are United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union; Domtar Corporation; Finch Paper LLC; P.H. Glatfelter Company; and Packaging Corporation of America.

<sup>5</sup> See The petitioners' Letter to the Department, "Certain Uncoated Paper From Indonesia: Request For Postponement Of The Preliminary Determination, dated May 15, 2015.

<sup>6</sup> See Certain Uncoated Paper from Australia, Brazil, the People's Republic of China, Indonesia, and Portugal: Postponement of Preliminary Determinations of Antidumping Duty Investigations, 80 FR 31017 (June 1, 2015).

criteria set forth in 19 CFR 351.401(f). Therefore, we are assigning these companies a single AFA rate – under the name APP/SMG – for purposes of the preliminary determination. For further discussion, see the Preliminary Decision Memorandum.

#### All-Others Rate

Consistent with sections 733(d)(1)(A)(ii) and 735(c)(5) of the Act, the Department also calculated an estimated all-others rate. Section 735(c)(5)(B) of the Act provides that where all rates are zero, de minimis or based on total facts available, the Department may use “any reasonable method” to establish the rate for non-selected respondents.

In this investigation, we calculated a company-specific rate for the only cooperative mandatory respondent, APRIL, that is zero. Therefore, and pursuant to section 735(c)(5)(B) of the Act, we preliminary determine that it is reasonable to calculate the all-others rate based on a simple average of the zero margin and the margins based on AFA.

#### Preliminary Determination

The Department preliminarily determines that the following weighted-average dumping margins exist:

Exporter/Manufacturer	Weighted-Average Dumping Margin (percent)
Great Champ Trading Limited	51.75
Indah Kiat Pulp & Paper TBK/Pabrik Kertas Tjiwi Kimia/PT. Pindo Deli Pulp and Paper Mills (APP/SMG)	51.75
April Fine Paper Macao Limited/PT Anugerah Kertas Utama/ PT Riau Andalan Kertas (APRIL)	0.00
All Others	34.50

### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of certain uncoated paper from Indonesia, as described in Appendix I of this notice, for all companies other than APRIL which are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register. For APRIL, because its estimated weighted-average preliminary dumping margin is zero, we are not directing CBP to suspend liquidation of APRIL's entries.

In accordance with 19 CFR 351.205(d), we will instruct CBP to require a cash deposit equal to the weighted-average amount by which the NV exceeds U.S. price, as indicated in the chart above, adjusted for export subsidies found in the preliminary determination of the companion countervailing duty investigation.<sup>7</sup> Specifically, consistent with our longstanding practice, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct CBP to require a cash deposit equal to the amount by which the NV exceeds the U.S. price, as indicated below, less the amount of the countervailing duty determined to constitute an export subsidy.<sup>8</sup> Therefore, for cash deposit purposes, we are subtracting from the applicable cash deposit rate that portion of the countervailing duty rate attributable to the

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<sup>7</sup> See Certain Uncoated Paper from Indonesia: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination, 80 FR 36971 (June 29, 2015), and accompanying Preliminary Decision Memorandum (CVD Investigation Uncoated Paper from Indonesia).

<sup>8</sup> See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India, 69 FR 67306, 67307 (November 17, 2004); and Notice of Final Determination of Sales at Less Than Fair Value and Negative Critical Circumstances Determination: Bottom Mount Combination Refrigerator-Freezers From the Republic of Korea, 77 FR 17413 (March 26, 2012).

export subsidies found in the preliminary affirmative countervailing duty determination.

Accordingly, the export subsidy offsets are as follows: 29.36 percent for Great Champ and APP/SMG; and 0.00 percent for all others.<sup>9</sup> After this adjustment, the resulting cash deposit rates will be 22.39 percent for Great Champ and APP/SMG.

Further, pursuant to section 733(d) of the Act and 19 CFR 351.205(d), we will instruct CBP to require cash deposits<sup>10</sup> equal to the above-noted rates, adjusted as appropriate for export subsidies, as follows: (1) the rate for the mandatory respondents listed above will be the respondent-specific rate we determined in this preliminary determination; (2) if the exporter is not a mandatory respondent identified above, but the producer is, the rate will be the specific rate established for the producer of the subject merchandise; and (3) the rate for all other producers or exporters will be the all others rate. These suspension of liquidation instructions will remain in effect until further notice.

#### Disclosure

We will disclose the calculations performed to interested parties in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

#### Verification

As provided in section 782(i) of the Act, we intend to verify information relied upon in making our final determination.

#### Public Comment

Interested parties are invited to comment on this preliminary determination. Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued

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<sup>9</sup> See CVD Investigation Uncoated Paper from Indonesia.

<sup>10</sup> See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

in this proceeding, and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>11</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce. All documents must be filed electronically using ACCESS. An electronically-filed request must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Standard Time, within 30 days after the date of publication of this notice.<sup>12</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

#### Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by

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<sup>11</sup> See 19 CFR 351.309.

the petitioner. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

APRIL requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (i.e., to 135 days after publication of the preliminary determination), and agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a period not to exceed six months.<sup>13</sup> In addition, the petitioners also requested that, in the event of a negative preliminary determination, the Department postpone its final determination in accordance with 19 CFR 351.210(b)(c)(i).<sup>14</sup>

In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative; (2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we will make our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.<sup>15</sup>

#### International Trade Commission (ITC) Notification

In accordance with section 733(f) of the Act, we are notifying the ITC of our affirmative preliminary determination of sales at LTFV. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45

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<sup>13</sup> Id.

<sup>14</sup> See Letter from the petitioners, entitled, “Certain Uncoated Paper from Indonesia – Petitioners’ Comments on the Extension of the Final Determination,” dated July 31, 2015.

<sup>15</sup> See also 19 CFR 351.210(e).



days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

August 19, 2015  
Date

## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by this investigation includes uncoated paper in sheet form; weighing at least 40 grams per square meter but not more than 150 grams per square meter; that either is a white paper with a GE brightness level<sup>1</sup> of 85 or higher or is a colored paper; whether or not surface-decorated, printed (except as described below), embossed, perforated, or punched; irrespective of the smoothness of the surface; and irrespective of dimensions (Certain Uncoated Paper).

Certain Uncoated Paper includes (a) uncoated free sheet paper that meets this scope definition; (b) uncoated ground wood paper produced from bleached chemi-thermo-mechanical pulp (BCTMP) that meets this scope definition; and (c) any other uncoated paper that meets this scope definition regardless of the type of pulp used to produce the paper.

Specifically excluded from the scope are (1) paper printed with final content of printed text or graphics and (2) lined paper products, typically school supplies, composed of paper that incorporates straight horizontal and/or vertical lines that would make the paper unsuitable for copying or printing purposes.

Imports of the subject merchandise are provided for under Harmonized Tariff Schedule of the United States (HTSUS) categories 4802.56.1000, 4802.56.2000, 4802.56.3000, 4802.56.4000, 4802.56.6000, 4802.56.7020, 4802.56.7040, 4802.57.1000, 4802.57.2000, 4802.57.3000, and 4802.57.4000. Some imports of subject merchandise may also be classified under 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.5000, 4802.62.6020, 4802.62.6040, 4802.69.1000, 4802.69.2000, 4802.69.3000, 4811.90.8050 and 4811.90.9080. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigation is dispositive.

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<sup>1</sup> One of the key measurements of any grade of paper is brightness. Generally speaking, the brighter the paper the better the contrast between the paper and the ink. Brightness is measured using a GE Reflectance Scale, which measures the reflection of light off a grade of paper. One is the lowest reflection, or what would be given to a totally black grade, and 100 is the brightest measured grade. "Colored paper" as used in this scope definition means a paper with a hue other than white that reflects one of the primary colors of magenta, yellow, and cyan (red, yellow, and blue) or a combination of such primary colors.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum:**

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Postponement of Final Determination and Extension of Provisional Measures
- V. Scope Comments
- VI. Affiliation Determinations
- VII. Discussion of Methodology
  - a. Determination of the Comparison Method
  - b. Results of the Differential Pricing Analysis
- VIII. Date of Sale
- IX. Product Comparisons
- X. Export Price
- XI. Duty Drawback
- XII. Normal Value
  - a. Home Market Viability
  - b. Level of Trade
  - c. Cost of Production (COP) Analysis
    - 1. Calculation of COP
    - 2. Test of Comparison Market Sales Prices
    - 3. Results of the COP Test
  - d. Calculation of NV Based on Comparison Market Prices
- XIII. Application of Facts Available and Use of Adverse Inference
  - a. Use of Facts Available
  - b. Application of Facts Available with an Adverse Inference
  - c. Selection and Corroboration of Adverse Facts Available (AFA) Rate
- XIV. Critical Circumstances
- XV. Currency Conversion